

APPENDIX OF CLAIMS ON APPEAL

1. A method for conducting a financial batch auction after a first period and before a second period, comprising the steps of:

receiving during an order acceptance period orders from a plurality of participants, said orders representing a desire to execute a trade regarding a security;

continuously transmitting to said participants information regarding orders as they are received during said order acceptance period;

allowing said participants during said order acceptance period to modify previously submitted orders only if the modification meets a predetermined set of conditions;

prohibiting the receiving of orders after said order acceptance period;

discovering an optimal price at which a maximum number of shares will be executed based on all orders received during said order acceptance period; and

executing a trade of said maximum number of shares at said optimal price.

2. The method for conducting a financial batch auction according to claim 1, wherein said orders include parameters describing a trade side, a security identifier, and a quantity of shares.

3. The method for conducting a financial batch auction according to claim 1, wherein said orders have order types selected from the group consisting of unpriced orders, priced orders, and cross orders.
4. The method for conducting a financial batch auction according to claim 1, wherein the batch auction is conducted concurrently with a continuous trading financial market for said security.
5. The method for conducting a financial batch auction according to claim 4, wherein one of said first period or said second period comprises a stoppage of trading of said security on said continuous trading market.
6. The method for conducting a financial batch auction according to claim 1, wherein said information transmitted to said qualified recipients comprises an indicated price and a net order imbalance for said security.
7. The method for conducting a financial batch auction according to claim 1, wherein modification of previously submitted orders includes requests to cancel orders and requests to modify quantity and/or price of orders.

8. The method for conducting a financial batch auction according to claim 7, wherein receiving of requests to cancel orders is terminated at a predetermined time before the end of said order acceptance period.

9. The method for conducting a financial batch auction according to claim 1, further comprising an allocating step wherein said executed maximum number of shares is distributed pro-rata among orders that qualify for execution.

10. A method of performing a batch auction of a security, comprising the steps of:

compiling an order book, wherein said compiling comprises receiving order information from participants during an order acceptance period, entering orders into the order book, and modifying or canceling orders within the order book in response to modification requests received from participants based upon order information provided to said participants during said order acceptance period, where said modification requests satisfy a plurality of predetermined conditions;

discovering an optimal price, wherein said discovering step comprises identifying one or more prices at which the batch auction would produce a maximum number of executed shares, and selecting one of said one or more prices as an optimal price; and

executing the batch auction at the optimal price, wherein said executing step comprises crossing orders within the order book at the optimal price.

11. The method of performing a batch auction of a security according to claim 10, wherein said order information comprises parameters describing a trade side, a security identifier, and a quantity of shares.

12. The method of performing a batch auction of a security according to claim 10, wherein said orders have order types selected from the group consisting of unpriced orders, priced orders, and cross orders.

13. The method of performing a batch auction of a security according to claim 10, wherein the batch auction is conducted concurrently with a continuous trading financial market for said security.

14. The method of performing a financial batch auction of a security according to claim 13, wherein the batch auction is performed at the open or close of said continuous trading market.

15. The method of performing a financial batch auction of a security according to claim 10, wherein said optimal price is

selected based upon a relative supply and a demand dictated by said order book.

16. The method of performing a financial batch auction of a security according to claim 15, wherein said selecting step further comprises comparing said relative supply and demand to a standard.

17. The method of performing a financial batch auction of a security according to claim 10, wherein said order information provided to said participants during said order acceptance period comprises an indicated price and a net order imbalance.

18. The method of performing a financial batch auction of a security according to claim 10, wherein canceling of and modifying of orders within the order book is restricted to a predetermined time before said order acceptance period ends.

19. The method of performing a financial batch auction of a security according to claim 10, wherein a designated intermediary is permitted to view said order book and to cover orders for unexecuted shares at said optimal price.

20. A computerized system for performing a batch auction of a security, comprising:

a computerized network having at least two computers in electronic communication with each other;

an order receiving program running on one or more of said computers, wherein said receiving program is designed to receive a plurality of messages containing orders and modifications of prior orders from a plurality of participants during an order acceptance period, and to accept only those orders and modifications of prior orders that meet a set of predetermined criteria;

an order book database located on one or more of said computers, wherein said order book database communicates with said order receiving program and stores each of said accepted orders received by said receiving program;

a price discovery program running on one or more of said computers, wherein said price discovery program calculates an optimal price upon which to transact a maximum number of shares of the security during the batch auction based on order information stored in said order book database;

a batch auction execution program running on one or more of said computers, wherein said execution program executes the batch auction of said maximum number of shares of the security at a predetermined execution time; and

a notification program running on one or more of said computers, wherein said notification program publishes a predetermined selection of data from said order book database

during said order acceptance period, and wherein said notification program notifies said participants of said published selection of data during said order acceptance period.

21. The computerized system for performing a batch auction of a security according to claim 20, wherein said predetermined selection of data published by said price notification system comprises an indicated price and net order imbalance.

22. The computerized system for performing a batch auction of a security according to claim 20, wherein said messages can contain order types selected from the group consisting of unpriced orders, priced orders, and cross orders.

23. The computerized system for performing a batch auction of a security according to claim 20, further comprising an electronic connection for forwarding unexecuted orders to outside markets.

24. The computerized system for performing a batch auction of a security according to claim 20, further comprising communication connections whereby said participants may remotely submit said messages to said order receiving program electronically.

25. The computerized system for performing a batch auction of a security according to claim 24, wherein said participants receive

results of the batch auction electronically from said notification program.

26. The computerized system for performing a batch auction of a security according to claim 20, wherein said predetermined criteria vary within a time interval preceding said execution time.

27. The computerized system for performing a batch auction of a security according to claim 20, wherein said execution time comprises a period of time either at an opening or a closing of a continuous trading financial market.

28. The computerized system for performing a batch auction of a security according to claim 20, wherein said execution program allocates a maximum number of shares pro-rata among said accepted orders.

29. The computerized system for performing a batch auction of a security according to claim 20, further comprising an interface for a designated intermediary to view said order book database while said order receiving program is communicating with said order book database.

30. A method for conducting a security batch auction cycle, said auction cycle having an order acceptance period, a price discovery period, and an order execution period, said method comprising the steps of:

during a first of two stages of said order acceptance period:

accepting requests to enter auction orders into an order book, to modify auction orders within the order book, and to cancel auction orders within the order book; and

selecting data from said order book, and publishing said selected data to a plurality of recipients;

during the second stage of said order acceptance period:

accepting late requests to enter auction orders into the order book if said late requests to enter meet a first set of criteria;

accepting late requests to modify orders within the order book if said late requests to modify meet a second set of criteria; and

publishing said selected data within said order book to said plurality of recipients;

during said price discovery period:

identifying one or more prices at which the batch auction cycle would produce a maximum number of executed shares, and selecting one of said one or more prices as an optimal price; and during said order execution period:

executing a trade of said maximum number of shares at said optimal price.

31. A method of performing an intermediated batch auction of a security, comprising the steps of:

receiving a plurality of orders from a plurality of participants during an order acceptance period, each of said orders identifying a desire to trade shares of the security;

providing information to an intermediary regarding said plurality of orders during said order acceptance period, and accepting orders from said intermediary identifying a desire to trade an excess number of shares based on said information;

discovering an optimal price at which a maximum number of said shares identified by said plurality of orders will be executed; and

executing a trade of said maximum number of shares and said excess number of shares at said optimal price.